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Cable TV Could Dial Up Conflicts

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Among a cluster of conflicts facing Michael Bloomberg as mayor is his company's highly visible stake in the city's franchising of cable television.

Cable TV is one of the few areas in the past decade in which billionaire Bloomberg has had a hands-on role, lobbying for his company.

Bloomberg aides said they do not know what he may do to avoid breaching city ethics codes against benefitting himself or his firm or appearing to do so.

"These are issues that have yet to be addressed," spokesman Ed Skyler said.

The city's Conflicts of Interest Board is expected to take several months to rule on the thicket of issues.

The issues include selling his data terminals to the city and his limited partnership's 20 percent ownership by Merrill Lynch, a city bond underwriter.

Bloomberg has indicated that he will resign from charity boards and that his company will forgo $14 million in tax breaks it negotiated with the city last year. Aides also say Bloomberg LP is not about to be sold.

Anyone who doubts the private Bloomberg company's financial-news operation could become a matter of public dispute need only to look back to 1996. That year, Mayor Rudolph Giuliani waged a public pressure campaign to force cable distributor Time Warner to offer Rupert Murdoch's Fox News Channel to its 1.1 million subscribers.

A mayor's clout stems from his appointees' roles on a review committee that in 1998 ended up renewing Time Warner's 10-year distribution franchise. The franchise was re-opened — and could be again — due to a change in corporate ownership. On a day-to-day basis, the city's Department of Information Technology and Telecommunications regulates basic cable TV rates and monitors service.

Giuliani's foes in the 1996 blowup accused him of a conflict because his wife, Donna Hanover, worked for Fox, and they said Murdoch's editorial page at the New York Post was ideologically in tune with the mayor.

The mayor shot back that Time Warner didn't want Fox News to compete with its own CNN. When Giuliani proposed giving Fox one of five cable channels reserved for the city under the Time Warner franchise, Bloomberg and other operators stepped forward.

"It's perfectly appropriate for the mayor to push Fox," Bloomberg told Newsday at the time. "I just think it wasn't right for him to push one New York-based news channel over another New York-based news channel."

On Oct. 10, 1996, the city chose to begin transmitting Bloomberg Information Television without Time Warner's consent and with commercials. It was planning to do the same for Fox the next day, but Time Warner got a court order halting the broadcast of both.

A settlement was reached, and Fox was added to Time Warner and Cablevision, a second city franchisee. Today, Bloomberg is broadcast on Time Warner's DTV Channel 104; on WMBC-TV (Channel 63) between 8 a.m. and 5 p.m. Monday through Friday; and nationwide on the USA network six mornings a week.

Stations such as Bloomberg's negotiate payments to distributors such as Time Warner and Cablevision to get their programming on the screen. In that context, there are policy questions for the incoming mayor. Does he believe in privatizing some or even all of the city's existing Crosswalks stations, with their small viewership? He has yet to say.

For private and political purposes, Michael Bloomberg doesn't appear to have burned bridges in the skirmishes of 1996. Giuliani made key commercials for his mayoral campaign, for example, and top Time Warner executive Richard Parsons now serves on Bloomberg's transition team.

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